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FIRE PROTECTION DISTRICT NO. 5
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**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/11/02

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA**

GOVERNING BOARD

Leslie Lindsly, Chairman

**Pointe Coupee Police Jury
Appointees**

Geraldine Simmons
Greg Johnson

**City of New Roads
Appointees**

Lawrence Smith, Jr.
Elie James Part, Jr.

Stephanie Bonnette, Secretary

Mildred Smith, Accountant

MEETING DATE

Third Monday of Every Month

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

Mr. Leslie Lindsly, Chairman
and Members of the Board of Commissioners
Fire Protection District No. 5 of the
Parish of Pointe Coupee
New Roads, Louisiana

I have audited the accompanying general purpose financial statements of the **FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2001, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Board of Commissioners. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 18, 2002, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government*

Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

George F. Delaune, CPA

January 18, 2002

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**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA
COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
DECEMBER 31, 2001**

| | <u>Governmental Fund Type</u> | <u>Account Group</u> | <u>Totals (Memorandum Only)</u> | |
|--|-----------------------------------|-------------------------------------|-------------------------------------|---------------------|
| | <u>General Fund</u> | <u>General Fixed Assets</u> | <u>2001</u> | <u>2000</u> |
| ASSETS | | | | |
| Cash | \$ 1,800,941 | | \$ 1,800,941 | \$ 1,915,103 |
| Receivables - | | | | |
| Ad valorem | 634,569 | | 634,569 | 639,680 |
| State revenue sharing | 5,054 | | 5,054 | 5,564 |
| Property, plant, and equipment - | | | | |
| Land | | \$ 128,964 | 128,964 | 128,964 |
| Building | | 334,435 | 334,435 | 334,070 |
| Vehicles | | 1,324,454 | 1,324,454 | 1,324,454 |
| Firefighting equipment and tools | | 201,860 | 201,860 | 200,187 |
| Radios and paging equipment | | 129,212 | 129,212 | 125,415 |
| Uniforms and protective gear | | 79,384 | 79,384 | 51,461 |
| Furniture, fixtures and equipment | | 36,097 | 36,097 | 31,399 |
| Fire hydrants & water supply lines | | 1,109,813 | 1,109,813 | 1,109,813 |
| TOTAL ASSETS | <u>\$ 2,440,564</u> | <u>\$ 3,344,219</u> | <u>\$ 5,784,783</u> | <u>\$ 5,866,110</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 15,989 | | \$ 15,989 | \$ 7,731 |
| Amount due retirement system | 36,723 | | 36,723 | 25,027 |
| Due to other governmental units - | | | | |
| Fire District #2 of Pointe Coupee | 258 | | 258 | 258 |
| Total Liabilities | <u>52,970</u> | | <u>52,970</u> | <u>33,016</u> |
| Fund Equity: | | | | |
| Investment in general fixed assets | | \$ 3,344,219 | 3,344,219 | 3,305,763 |
| Fund balances - | | | | |
| Designated for - | | | | |
| Maint & replacement of equipment | 250,000 | | 250,000 | 257,405 |
| Maint & replacement of buildings | 250,000 | | 250,000 | 257,405 |
| Water improvement projects | 330,942 | | 330,942 | 1,045,033 |
| Unreserved - undesignated | 1,556,652 | | 1,556,652 | 967,488 |
| Total Fund Equity | <u>2,387,594</u> | <u>3,344,219</u> | <u>5,731,813</u> | <u>5,833,094</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 2,440,564</u> | <u>\$ 3,344,219</u> | <u>\$ 5,784,783</u> | <u>\$ 5,866,110</u> |

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | <u>2001</u> | <u>2000</u> |
|---|----------------|----------------|
| Revenues: | | |
| Taxes - | | |
| Ad valorem | \$ 627,730 | \$ 637,569 |
| Interest on taxes | <u>115</u> | <u>215</u> |
| Total Taxes | <u>627,845</u> | <u>637,784</u> |
| Intergovernmental revenues - | | |
| State fire insurance rebate | 16,781 | 15,932 |
| State revenue sharing | <u>15,161</u> | <u>15,885</u> |
| Total Intergovernmental Revenues | <u>31,942</u> | <u>31,817</u> |
| Miscellaneous revenues - | | |
| Interest earned | 95,434 | 126,495 |
| Miscellaneous | <u>2,443</u> | <u>16</u> |
| Total Miscellaneous Revenues | <u>97,877</u> | <u>126,511</u> |
| Total Revenues | <u>757,664</u> | <u>796,112</u> |
| Expenditures: | | |
| Current Operations - | | |
| General Government - | | |
| Administrative labor | 4,680 | 4,680 |
| Commission members per diem | 1,710 | 1,650 |
| Firemen's benefit program | 18,526 | 19,268 |
| Professional fees | 2,325 | 3,617 |
| Tax collector fees | 36,723 | 25,027 |
| Publishing and printing | 1,385 | 876 |
| Election expense | <u>239</u> | <u>239</u> |
| Total General Government | <u>65,349</u> | <u>55,357</u> |

The accompanying notes are an integral part of this statement.

| | <u>2001</u> | <u>2000</u> |
|---|---------------------|---------------------|
| Public Safety - | | |
| Contribution to volunteers | 4,600 | 4,600 |
| Pre-plan survey | 3,187 | 3,300 |
| Dispatching services | | 5,000 |
| Vehicle maintenance | 22,824 | 32,273 |
| Firefighting equipment maintenance | 7,149 | 11,993 |
| Radios and pagers maintenance | 8,181 | 1,937 |
| Building maintenance | 17,250 | 4,621 |
| Hydrant maintenance | 3,300 | 5,304 |
| Supplies and small tools | 3,521 | 3,957 |
| Utilities | 8,815 | 8,788 |
| Telephone | 2,953 | 2,030 |
| Insurance | 26,590 | 27,702 |
| Training and fire prevention | 10,742 | 11,695 |
| Office and computer supplies | 2,750 | 1,483 |
| All others | <u>2,677</u> | <u>1,625</u> |
| Total Public Safety | <u>124,539</u> | <u>126,308</u> |
| Total Current Operations | <u>189,888</u> | <u>181,665</u> |
| Capital Outlays - | | |
| Land acquisition costs | | 101,002 |
| Buildings | 364 | |
| Furniture, fixtures, and equipment | 4,698 | 4,246 |
| Uniform and protective gear | 27,923 | 119 |
| Radios and paging equipment | 3,797 | 5,328 |
| Fire fighting equipment and tools | 1,673 | 11,685 |
| Fire hydrants and water supply lines | <u>669,058</u> | <u>178,647</u> |
| Total Capital Outlays | <u>707,513</u> | <u>301,027</u> |
| Total Expenditures | <u>897,401</u> | <u>482,692</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (139,737) | 313,420 |
| Fund Balance - January 1 | <u>2,527,331</u> | <u>2,213,911</u> |
| FUND BALANCE - December 31 | <u>\$ 2,387,594</u> | <u>\$ 2,527,331</u> |

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | 2001 | | | 2000 |
|---|----------------|----------------|--|----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues: | | | | |
| Taxes - | | | | |
| Ad valorem | \$ 635,000 | \$ 627,730 | \$ (7,270) | \$ 637,569 |
| Interest on taxes | 115 | 115 | | 215 |
| Total Taxes | 635,115 | 627,845 | (7,270) | 637,784 |
| Intergovernmental revenues - | | | | |
| State fire insurance rebate | 16,781 | 16,781 | | 15,932 |
| State revenue sharing | 15,671 | 15,161 | (510) | 15,885 |
| Total Intergovernmental Revenues | 32,452 | 31,942 | (510) | 31,817 |
| Miscellaneous revenues - | | | | |
| Interest earned | 97,721 | 95,434 | (2,287) | 126,495 |
| Miscellaneous | | 2,443 | 2,443 | 16 |
| Total Miscellaneous Revenues | 97,721 | 97,877 | 156 | 126,511 |
| Total Revenues | 765,288 | 757,664 | (7,624) | 796,112 |
| Expenditures: | | | | |
| Current Operations - | | | | |
| General Government - | | | | |
| Administrative labor | 4,680 | 4,680 | | 4,680 |
| Commission members per diem | 1,740 | 1,710 | 30 | 1,650 |
| Firemen's benefit program | 41,039 | 18,526 | 22,513 | 19,268 |
| Professional fees | 3,025 | 2,325 | 700 | 3,617 |
| Tax collector fees | 25,000 | 36,723 | (11,723) | 25,027 |
| Publishing and printing | 1,500 | 1,385 | 115 | 876 |
| Election expense | | | | 239 |
| Total General Government | 76,984 | 65,349 | 11,635 | 55,357 |

The accompanying notes are an integral part of this statement.

| | 2001 | | | 2000 |
|---|---------------------|---------------------|--|---------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Public Safety - | | | | |
| Contribution to volunteers | 4,600 | 4,600 | | 4,600 |
| Pre-plan survey | 3,300 | 3,187 | 113 | 3,300 |
| Dispatching services | | | | 5,000 |
| Vehicle maintenance | 29,250 | 22,824 | 6,426 | 32,273 |
| Firefighting equipment maintenance | 10,663 | 7,149 | 3,514 | 11,993 |
| Radios and pagers maintenance | 10,600 | 8,181 | 2,419 | 1,937 |
| Building maintenance | 17,385 | 17,250 | 135 | 4,621 |
| Hydrant maintenance | 4,000 | 3,300 | 700 | 5,304 |
| Supplies and small tools | 4,000 | 3,521 | 479 | 3,957 |
| Utilities | 9,000 | 8,815 | 185 | 8,788 |
| Telephone | 3,100 | 2,953 | 147 | 2,030 |
| Insurance | 26,561 | 26,590 | (29) | 27,702 |
| Training and fire prevention | 11,700 | 10,742 | 958 | 11,695 |
| Office and computer supplies | 2,500 | 2,750 | (250) | 1,483 |
| All others | 2,800 | 2,677 | 123 | 1,625 |
| Total Public Safety | 139,459 | 124,539 | 14,920 | 126,308 |
| Total Current Operations | 216,443 | 189,888 | 26,555 | 181,665 |
| Capital Outlays - | | | | |
| Buildings and improvements | 364 | 364 | | |
| Land acquisition costs | | | | 101,002 |
| Furniture, fixtures, & equipment | 5,198 | 4,698 | 500 | 4,246 |
| Uniform and protective gear | 27,834 | 27,923 | (89) | 119 |
| Radios and paging equipment | 1,276 | 3,797 | (2,521) | 5,328 |
| Fire fighting equipment and tools | 2,675 | 1,673 | 1,002 | 11,685 |
| Fire hydrants & water supply lines | 766,790 | 669,058 | 97,732 | 178,647 |
| Total Capital Outlays | 804,137 | 707,513 | 96,624 | 301,027 |
| Total Expenditures | 1,020,580 | 897,401 | 123,179 | 482,692 |
| Excess (Deficiency) of Revenues over Expenditures | (255,292) | (139,737) | 115,555 | 313,420 |
| Fund Balance - January 1 | 2,527,331 | 2,527,331 | | 2,213,911 |
| FUND BALANCE - December 31 | <u>\$ 2,272,039</u> | <u>\$ 2,387,594</u> | <u>\$ 115,555</u> | <u>\$ 2,527,331</u> |

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - INTRODUCTION

The Fire Protection District No. 5 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 7, 8, 9 and a portion of Election Districts 4 and 6, as said Election Districts were constituted in 1981, be and the same was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee Parish. The financial reporting entity consists of [a] the primary government (police jury), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Applying criteria #3, the District was determined to be a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

General Fund -- the general operating fund of the District and accounts for all financial resources.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property tax revenues are recognized when they become available. Available means when due, or past due and receivable and collected generally within 60 days after year end. See Note 4 for the property tax calendar.

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Miscellaneous revenue (except investment earnings) are recorded as revenue when cash is received because they generally are not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Federal and state grants and reimbursements are recorded when the District is entitled to the funds.

Substantially all other revenues are recorded when received by the District.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due in the General Fund.

Budgets

Proposed operating budgets for the fiscal years 1991 through 2001 (the term of the approved ad valorem tax millage), prepared on GAAP Basis, are approved by the Board of Commissioners and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in District minutes published in the official journal.

The District exercises budgetary control at the line item level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

Encumbrances

The District does not follow the encumbrance method of accounting.

Cash and Investments

Cash includes amounts in demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Bad Debts

The District uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Compensated Absences

The District has no employees; therefore, it has no vacation or sick leave policies.

Fund Equity

Designated Fund Balances -

On February 19, 1996, the Board designated 7.5% of annual revenues to be set aside for future maintenance and replacement of equipment and the same amount for future maintenance and replacement of buildings. On April 21, 1997, the Board authorized disbursements when the revenues set aside exceed \$200,000 and for expenditures in excess of \$10,000. Revenues designated for these purposes will cease when the set aside balance exceeds \$500,000.

On October 18, 1999, the Board designated \$600,000 for the proposed water system improvements to be constructed by the City of New Roads. In 2001, \$464,795 was expended on this project leaving a designated balance of \$135,205.

On June 19, 2000, the Board designated \$400,000 for the proposed water system improvements to be constructed by Water District No. 2 of Pointe Coupee Parish. In 2001, \$204,263 was expended on this project leaving a designated balance of \$195,737.

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Comparative Data

Comparative total data for the prior years have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CASH

At December 31, 2001, the status of deposited funds and collateralized balances are as follows:

| | |
|---|--------------------|
| Balance per bank statements | \$ 5,137 |
| Secured by Federal deposit insurance | 5,137 |
| Market value of collateralized securities | <u>0</u> |
| Balance Unsecured and Uncollateralized | <u><u>\$ 0</u></u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Cash also includes \$1,796,688 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2001, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 4 - AD VALOREM TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 3.91%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2001, taxes of \$922,259.54 were levied on property with assessed valuations totaling \$218,091,512 at the rate of 4.45 mills for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service and for the purpose of paying the cost of acquiring, improving, or constructing fire

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

On December 21, 2001, Louisiana Generating LLC paid a portion of the 2001 property taxes under protest pursuant to La. R.S. 47:1856(E) and La. R.S. 47:2110. These taxes amounted to \$287,690 which the District chose not to recognize revenue until the Louisiana Tax Commission has rendered its final determination of the value of Louisiana Generating's properties for 2001 ad valorem property tax purposes. Louisiana Generating's position is supported fully by the recent decision of the Louisiana First Circuit Court of Appeal in *CLECO Evangeline, LLC v. Louisiana Tax Commission*, Docket No. 2001 CA 0561 (La. App. 1st Cir. 06/22/01), *writ granted*.

NOTE 5 - DUE TO OTHER GOVERNMENTAL UNITS

The balance due to other governmental units for reimbursement of a parishwide emergency telephone service is as follows:

| | |
|---|---------------|
| Fire Protection District No. 2 of the Parish of Pointe Coupee | \$ <u>258</u> |
|---|---------------|

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|-------------------------------------|----------------------|------------------|-----------|---------------------|
| Land | \$ 128,964 | | | \$ 128,964 |
| Buildings | 334,071 | \$ 364 | | 334,435 |
| Vehicles | 1,324,454 | | | 1,324,454 |
| Fire fighting equipment and tools | 200,186 | 1,673 | | 201,860 |
| Radios and paging equipment | 125,415 | 3,797 | | 129,212 |
| Uniforms and protective gear | 51,461 | 27,923 | | 79,384 |
| Furniture, fixtures, and equipment | 31,400 | 4,697 | | 36,097 |
| Fire hydrants & water line improve. | 1,109,812 | | | 1,109,812 |
| Totals | <u>\$ 3,305,763</u> | <u>\$ 38,454</u> | | <u>\$ 3,344,217</u> |

NOTE 7 - PENSION PLAN AND RETIREMENT COMMITMENTS

In accordance with LA R.S. 33:2036 G. (2), the District provides a Length of Service Awards Program (LOSAP) to all eligible volunteer firemen based upon the District's point system used to determine who is active. The program provides three benefits:

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

1. *Pre-Entitlement Death*, if a member dies before reaching entitlement age, the named beneficiary will receive the greater of \$20,000, (the face amount of the life insurance provided by the plan), or the present value of the member's earned benefit. This lump-sum benefit is payable upon death from any cause. It is not limited to an emergency duty. This applies to all members ages 65 and younger (without evidence of insurability) as well as those members over age 65 who qualify for life insurance. Non-insured members will receive the value of their earned benefit payable in the manner established by the plan sponsor.
2. *Pre-Entitlement Disability*, if a member becomes totally and permanently disabled from any cause before reaching entitlement age, a cash lump-sum benefit is immediately paid from the plan. This amount is based on the discounted present value of his earned benefit and not the monthly benefit to which he is entitled at his entitlement age. In addition, the member's death benefit continues for life.
3. *Monthly Entitlement Benefit*, at entitlement age, members are entitled to a monthly income from the plan payable for life, with 120 payments guaranteed. The benefit formula in this plan is:
 - a. \$20.00 per month for each year of past service (service before the plan begins) to a maximum of 15 years.
 - b. \$20.00 per month for each year of future service (service after the plan begins).
 - c. \$800.00 maximum monthly benefit (40 total years service).

The monthly entitlement benefits begin at age 60 and after participating in the plan at least 1 year. The term "entitlement" is used rather than "retirement" because volunteers do not have to leave the organization or become less active to draw benefits. Each year of active service adds to a member's monthly benefit. This benefit becomes 100% vested (guaranteed) after 5 years of service.

For 2001, the District made the following contributions for active firemen:

| | |
|--|-------------------------|
| Annual year service | \$ 13,236 |
| Life insurance | 4,516 |
| Administrative fee (\$600 plus \$6 per plan participant) | <u>774</u> |
| Total | <u><u>\$ 18,526</u></u> |

NOTE 8 - CONTINGENT LIABILITIES

There is no pending litigation against the District.

NOTE 9 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

| | |
|---|-----------------|
| Leslie Lindsly, Chairman | \$ 360 |
| Greg Johnson | 330 |
| Geraldine Simmons | 360 |
| Lawrence Smith | 300 |
| Roland Roberts (resigned April 2001) | 120 |
| Elie James Part, Jr. (appointed May 2001) | 240 |
| | <hr/> |
| | <u>\$ 1,710</u> |

NOTE 10 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 2001.

SUPPLEMENTAL INFORMATION

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SCHEDULE 1
FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
TAXABLE PROPERTY VALUATIONS
SINCE INCEPTION
(UNAUDITED)

| <u>Year</u> | <u>Mills Levied</u> | <u>Assessed Value</u> | <u>Homestead Exemption</u> | <u>Tax to be Paid by Owner</u> | <u>Tax to be Paid by State</u> | <u>Total Tax</u> |
|-------------|-------------------------|---------------------------|--------------------------------|------------------------------------|------------------------------------|------------------|
| 1982 | 5.00 | \$ 35,858,478 | \$ 6,739,645 | \$ 145,596.50 | \$ 33,700.61 | \$ 179,297.11 |
| 1983 | 5.00 | 36,544,503 | 6,923,775 | 148,106 | 34,621 | 182,727 |
| 1984 | 5.00 | 35,255,637 | 7,158,133 | 140,490 | 35,793 | 176,283 |
| 1985 | 5.00 | 36,379,357 | 7,303,637 | 145,381 | 36,521 | 181,901 |
| 1986 | 5.20 | 35,665,663 | 7,517,780 | 146,369 | 39,093 | 185,461 |
| 1987 | 5.20 | 34,716,921 | 7,699,051 | 140,493 | 40,035 | 180,528 |
| 1988 | 5.60 | 32,427,835 | 7,315,070 | 140,632 | 40,964 | 181,596 |
| 1989 | 5.60 | 32,717,245 | 7,452,905 | 141,480 | 41,736 | 183,217 |
| 1990 | 5.60 | 32,886,663 | 7,532,701 | 141,982 | 42,183 | 184,165 |
| 1991 | 5.60 | 34,608,287 | 7,550,596 | 151,523 | 42,283 | 193,807 |
| 1992 | 5.42 | 103,494,211 | 7,696,535 | 519,224 | 41,718 | 560,942 |
| 1993 | 5.22 | 103,772,883 | 7,892,091 | 500,499 | 41,199 | 541,698 |
| 1994 | 5.22 | 149,344,422 | 7,998,221 | 737,828 | 41,753 | 779,581 |
| 1995 | 5.22 | 147,777,641 | 8,153,591 | 728,838 | 42,564 | 771,403 |
| 1996 | 5.22 | 147,914,904 | 8,854,110 | 725,898 | 46,221 | 772,119 |
| 1997 | 5.00 | 143,387,429 | 9,128,863 | 671,295 | 45,645 | 716,940 |
| 1998 | 5.00 | 138,986,787 | 9,240,394 | 648,734 | 46,202 | 694,936 |
| 1999 | 5.00 | 137,371,076 | 9,588,524 | 638,915 | 47,943 | 686,858 |
| 2000 | 4.86 | 142,320,366 | 10,699,159 | 639,680 | 52,000 | 691,680 |
| 2001 | 4.45 | 218,091,512 | 10,843,784 | 922,259 | 48,261 | 970,520 |

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OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any compliance matters, reportable conditions and/or material weaknesses that would be material to the presented financial statements.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

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LOUISIANA SOCIETY OF CPAs
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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mr. Leslie Lindsly, Chairman
and the Members of the Board of Commissioners
Fire Protection District No. 5 of the
Parish of Pointe Coupee
New Roads, Louisiana

I have audited the general purpose financial statements of the **FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2001, and have issued my report thereon dated January 18, 2002. I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial

reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

January 18, 2002

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**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2001**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Fire Protection District No. 5 of the Parish of Pointe Coupee.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance were disclosed during the audit of the general purpose financial statements.
4. There were no federal awards received by Fire Protection District No. 5 of the Parish of Pointe Coupee.

B. FINDING--FINANCIAL STATEMENTS AUDIT

None

George F. Delaune

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September 3, 2002

Dr. Daniel G. Kyle, CPA
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Fire Protection District No. 5 of Pointe Coupee
Audit Engagement
For the Year Ended December 31, 2001

Dear Dr. Kyle:

Attached is a copy of the letter I sent with the completed audit report for the above captioned entity. I do not know if I mailed or hand delivered this report and I cannot find any acknowledgment from your office of the delivery. If I did mail this report, I recently found out that the local postal delivery contractor in my area was charged with not delivering mail. They have no evidence that she did not deliver the mail she picked up. However, I did have incidence where I had to reissue checks, send additional copies of tax returns, and letters over the last 10 to 12 months. In the future, I will control this delivery better.

Respectfully,


George F. Delaune, CPA